

Corporation for National and Community Service

§ 2506.1

2506.24 Under what conditions will the Corporation make a refund of amounts collected by salary offset?

2506.25 Will the collection of a claim by salary offset act as a waiver of my rights to dispute the claimed debt?

Subpart C—Tax Refund Offset

2506.30 Which debts can the Corporation refer to the Department of the Treasury for collection by offsetting tax refunds?

2506.31 What are the Corporation's procedures for collecting debts by tax refund offset?

Subpart D—Administrative Offset

2506.40 Under what circumstances will the Corporation collect amounts that I owe to the Corporation (or some other federal agency) by offsetting the debt against payments that the Corporation (or some other federal agency) owes me?

2506.41 How will the Corporation request that my debt to the Corporation be collected by offsetting against some payment that another federal agency owes me?

2506.42 What procedures will the Corporation use to collect amounts I owe to a federal agency by offsetting a payment that the Corporation would otherwise make to me?

2506.43 When may the Corporation make an offset in an expedited manner?

AUTHORITY: 31 U.S.C. 3711, 3716, 3720A; 42 U.S.C. 12651f.

SOURCE: 64 FR 4316, Jan. 28, 1999, unless otherwise noted.

Subpart A—Definitions, Authority, Administrative Collection, Compromise, Termination, and Referral of Claims

§ 2506.1 What definitions apply to the regulations in this part?

As used in this part:

(a) *Administrative offset* means the withholding of funds payable by the United States to any person (including funds payable to the United States on behalf of a State government), or the withholding of funds held by the United States for any person, in order to satisfy a debt owed to the United States.

(b) *Agency* means an executive department or agency, the United States Postal Service, the Postal Rate Commission, the United States Senate, the United States House of Representa-

tives, and any court, court administrative office, or instrumentality in the judicial or legislative branches of the Government, and Government corporations.

(c) *Corporation* means the Corporation for National and Community Service.

(d) *Certification* means a written debt claim form received from a creditor agency which requests the paying agency to offset the salary of an employee.

(e) *Chief Executive Officer* means the Chief Executive Officer of the Corporation for National and Community Service, or his or her designee.

(f) *Creditor agency* means an agency of the Federal Government to which the debt is owed.

(g) *Debt* means money owed by a person to the United States, including a debt owed to the Corporation or to any other Federal agency.

(h) *Debtor* means a person who owes a debt. Uses of the terms "I", "you," "me," and similar references to the reader of the regulations in this part are meant to apply to debtors as defined in this paragraph (h).

(i) *Delinquent debt* means a debt that has not been paid within the time limit prescribed by the Corporation.

(j) *Disposable pay* means that part of current basic pay, special pay, incentive pay, retirement pay, retainer pay, or, in the case of an employee not entitled to basic pay, other authorized pay remaining after the deduction of any amount required by law to be withheld, excluding any garnishment under 5 CFR parts 581 and 582. The Corporation will deduct the following items in determining the amount of disposable pay that will be subject to salary offset:

(1) Federal Social Security and Medicare taxes;

(2) Federal, state, and local income taxes, but no more than would be the case if the employee claimed all dependents to which he or she is entitled and any additional amounts for which the employee presents evidence of a tax obligation supporting the additional withholding;

(3) Health insurance premiums;

(4) Normal retirement contributions as set forth in 5 CFR 581.105(e);

§ 2506.2

(5) Normal life insurance premiums, excluding optional life insurance premiums; and

(6) Levies pursuant to the Internal Revenue Code, as defined in 5 U.S.C. 5514(d).

(k) *Employee* means a current employee of an agency, including a current member of the Armed Forces or Reserve of the Armed Forces of the United States.

(l) *Federal Claims Collection Standards* means the standards published at 4 CFR chapter II.

(m) *Paying agency* means the agency of the Federal Government that employs the individual who owes a debt to the United States. In some cases, the Corporation may be both the creditor agency and the paying agency.

(n) *Payroll office* means the payroll office in the paying agency that is primarily responsible for the payroll records and the coordination of pay matters with the appropriate personnel office with respect to an employee.

(o) *Person* includes a natural person or persons, profit or non-profit corporation, partnership, association, trust, estate, consortium, State and local government, or other entity that is capable of owing a debt to the United States Government; however, agencies of the United States are excluded.

(p) *Private collection contractor* means a private debt collector under contract with an agency to collect a non-tax debt owed to the United States.

(q) *Salary offset* means a payroll procedure to collect a debt under 5 U.S.C. 5514 by deduction(s) at one or more officially established pay intervals from the current pay account of an employee, without his or her consent.

(r) *Tax refund offset* means the reduction of a tax refund by the amount of a past-due legally enforceable debt owed to the Corporation or any other Federal agency.

(s) *Waiver* means the cancellation, remission, forgiveness, or non-recovery of a debt allegedly owed by a person to the Corporation or any other Federal agency as permitted or required by 5 U.S.C. 5584 or 8346(b), 10 U.S.C. 2774, 32 U.S.C. 716, or any other law.

45 CFR Ch. XXV (10–1–02 Edition)

§ 2506.2 What is the Corporation's authority to issue these regulations?

The Corporation is issuing regulations in this part under 42 U.S.C. 12651f and 31 U.S.C. 3711, 3716, and 3720A. The Corporation is also issuing the regulations in this part in conformity with the Federal Claims Collection Standards, 4 CFR chapter II, which prescribe standards for the handling of the federal government's claims for money or property, including standards for administrative collection, compromise, termination of agency collection action, and referral to the U.S. Department of Justice (DOJ) for litigation.

§ 2506.3 What other regulations also apply to the Corporation's debt collection efforts?

All provisions of the Federal Claims Collection Standards also apply to the regulations in this part. This part supplements the Federal Claims Collection Standards by prescribing procedures and directives necessary and appropriate for operations of the Corporation.

§ 2506.4 Do these regulations apply to claims involving fraud or misrepresentation?

The Federal Claims Collection Standards and this part do not apply to any claim as to which there is an indication of fraud or misrepresentation, as described in the Federal Claims Collection Standards, unless returned to the Corporation by the DOJ to the Corporation for handling.

§ 2506.5 What is the extent of the Chief Executive Officer's authority to compromise debts owed to the Corporation?

The Chief Executive Officer may exercise his or her compromise authority for those debts not exceeding \$100,000, excluding interest, in conformity with the Federal Claims Collection Act of 1966, as amended; the Federal Claims Collection Standards issued thereunder; and this part, except where standards are established by other statutes or authorized regulations issued pursuant to them.